



Island Global Research

2016 Business Trends Survey

Guernsey Young Business Group

May 2016



Young Business Group
of Guernsey



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Findings

This is the eleventh Business Trends Survey undertaken by the Guernsey Young Business Group. In all, 69 businesses responded to the 2016 Survey which took place during May 2016.

Sample Profile

The following charts (Figures 1 and 2) set out the profile of responding businesses. As in previous years, a very good sample was achieved in terms of economic sector and size.

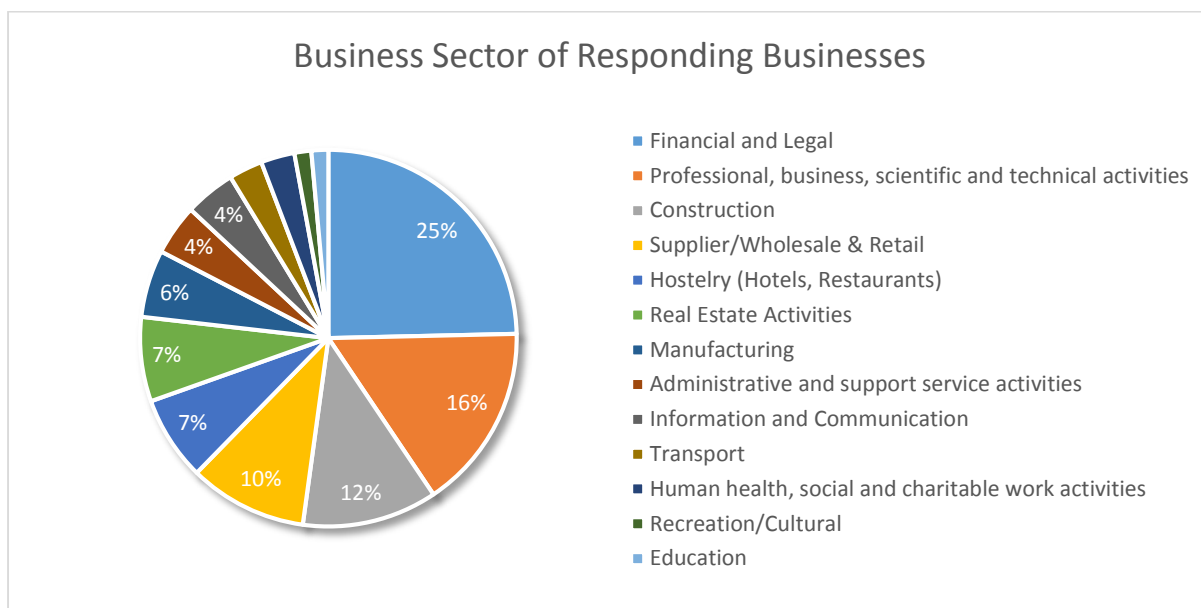


Figure 1

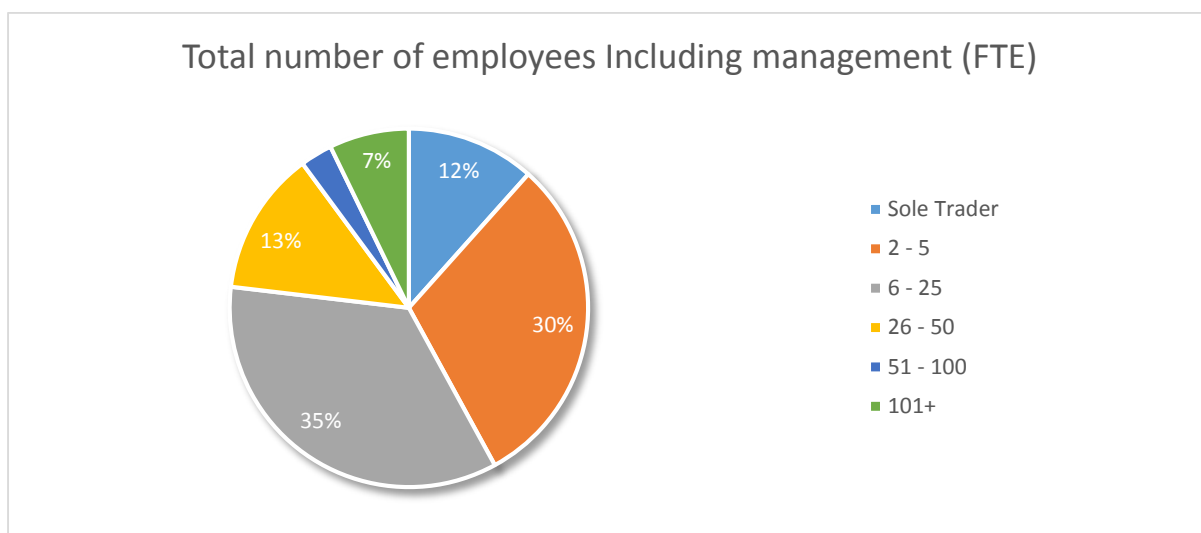


Figure 2

Turnover (2015 compared with 2014)

Over half of respondents (59%) stated that 2015 business turnover was either substantially or slightly up in comparison to 2014 (Figure 3).

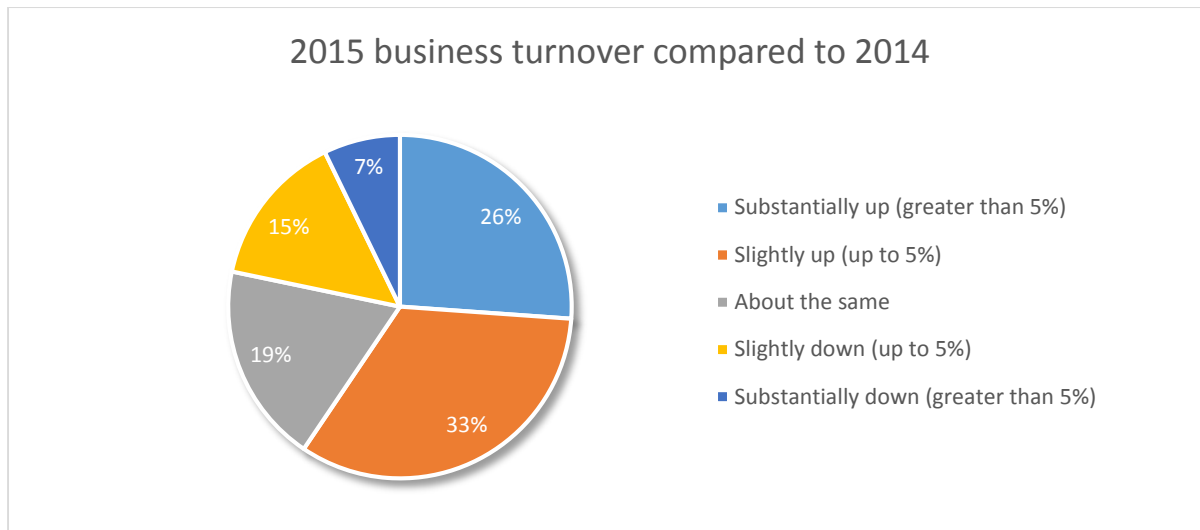


Figure 3

However, this percentage is down 2% on the comparative percentage figure recorded in the 2015 survey when 2014 turnover was compared with 2013. 22% indicated that turnover was slightly or substantially down as compared with last year's findings which ascertained that 14% of respondents stated that turnover was down over the previous year (Figure 4).

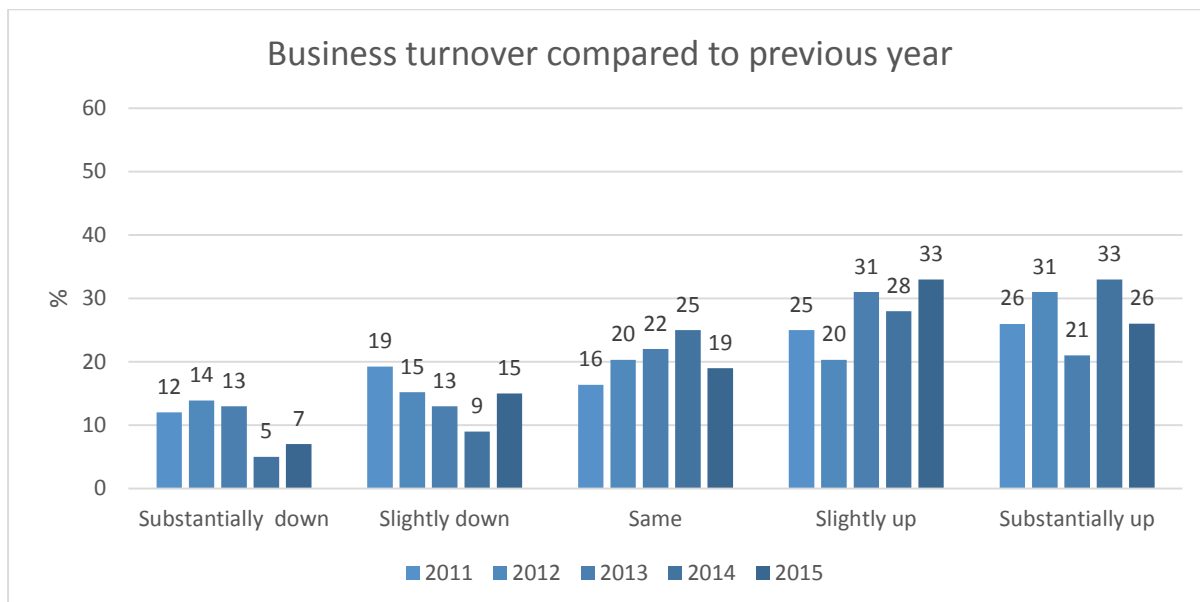


Figure 4

Profitability (2015 compared with 2014)

46% of respondents stated that business profitability was either substantially or slightly up in comparison to 2014 (Figure 5).

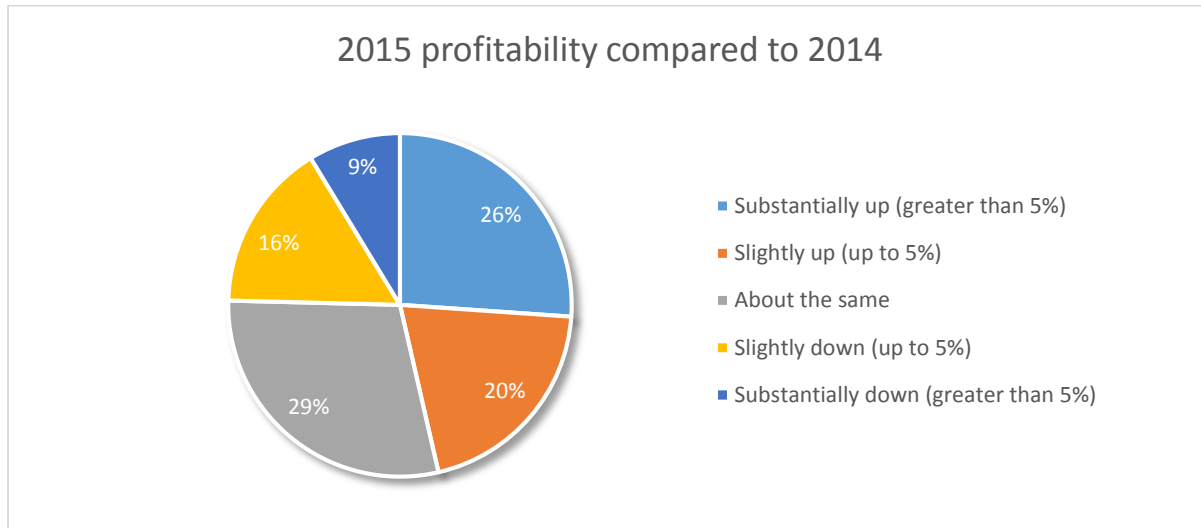


Figure 5

This is a fall of 9% over the corresponding percentage (55%) recorded in last year's survey (Figure 6). The percentage of respondents who indicated that profitability remained the same increased by 8%.

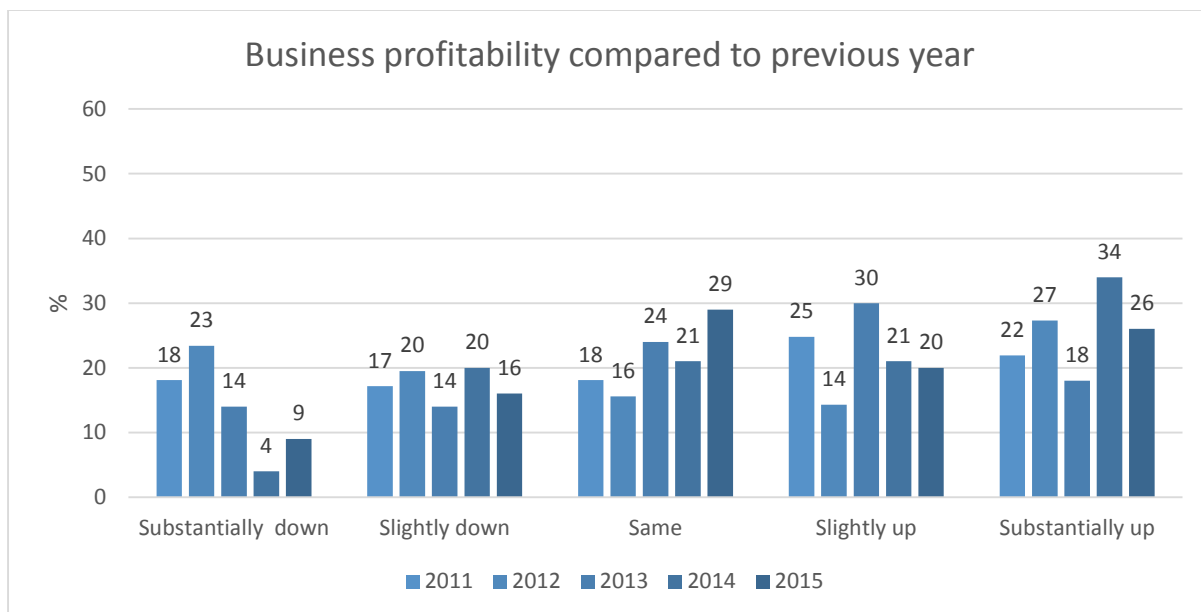


Figure 6

Numbers Employed (2015 compared with 2014)

Over half of all businesses (54%) saw no change in their number of employees (including management) in 2015 as compared to 2014 (Figure 7).

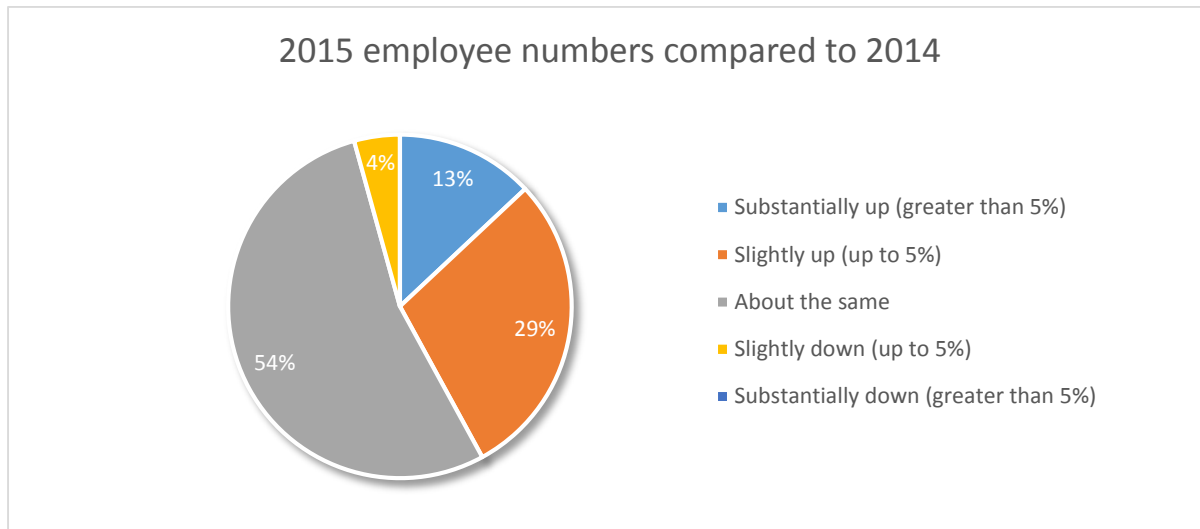


Figure 7

However, 29% of responding businesses indicated that there had been a small increase in overall numbers in 2015 as compared with 2014 (Figure 8). This compares with 22% recorded in the 2015 survey (2014 over 2013). The percentage indicating a substantial increase in numbers employed remained unchanged (13%).

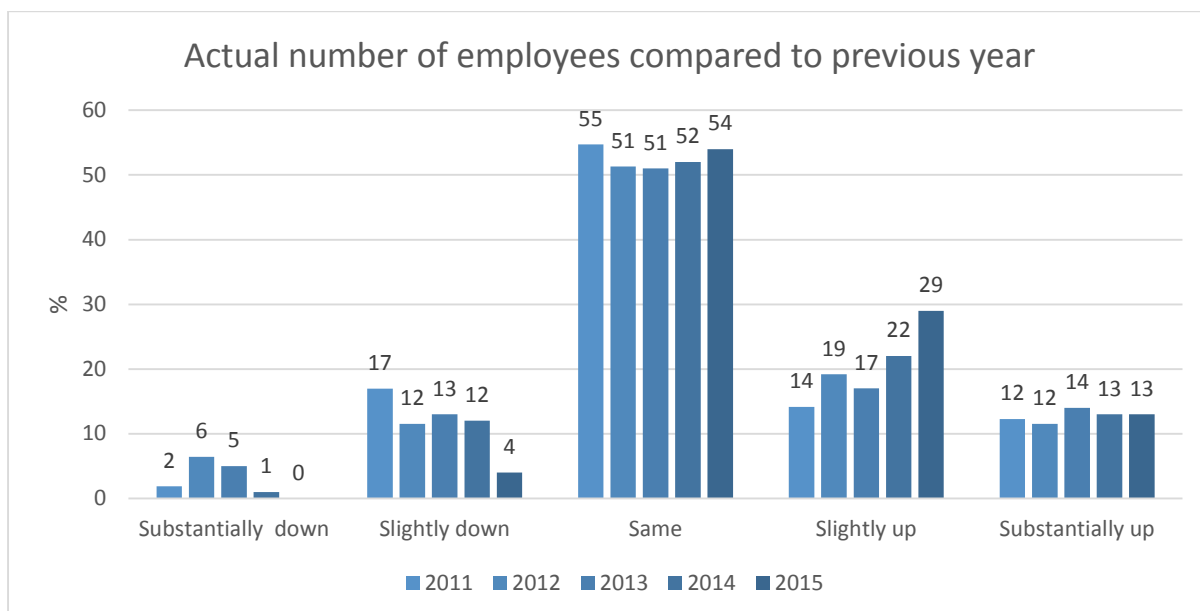


Figure 8

Business Costs (2015 compared with 2014)

19% of respondents stated that 2015 business costs were substantially up over those incurred in 2014 with a further 51% indicating that costs were slightly up in comparison to 2014 (Figure 9).

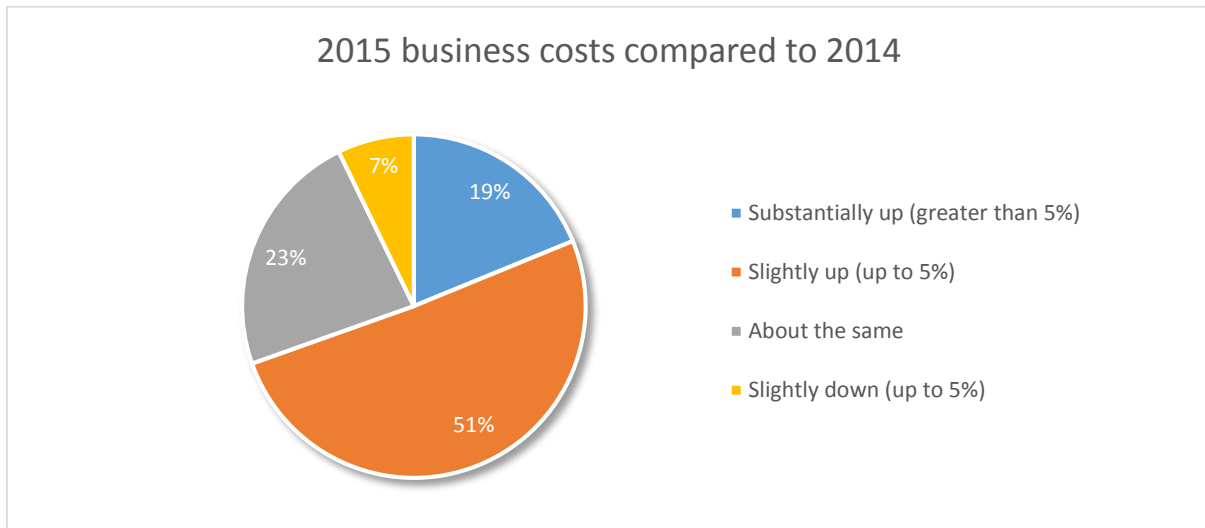


Figure 9

These percentages are very similar to those recorded in 2015 in relation to 2014 costs (Figure 10).

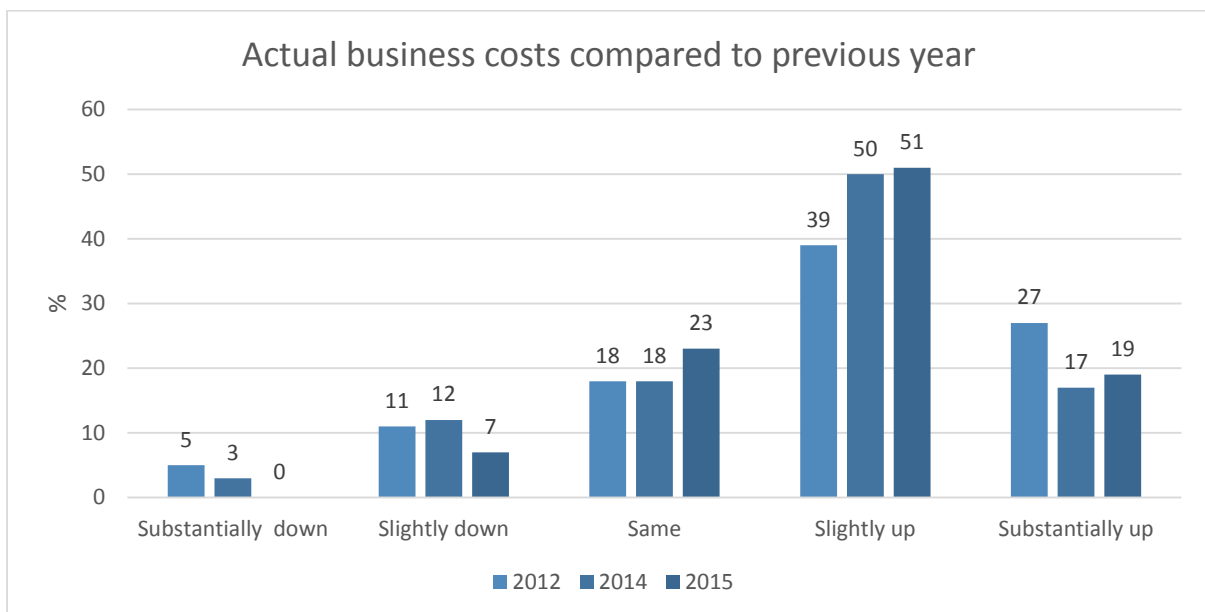


Figure 10 (Please note that data for the year 2013 was not collected in the 2013 survey)

Turnover Projections (2016 compared with 2015)

Over half of respondents were projecting their 2016 business turnover to be higher in comparison to 2015 turnover with 19% saying that it would be greater than 5% and a further 37% by up to 5% (Figure 11).

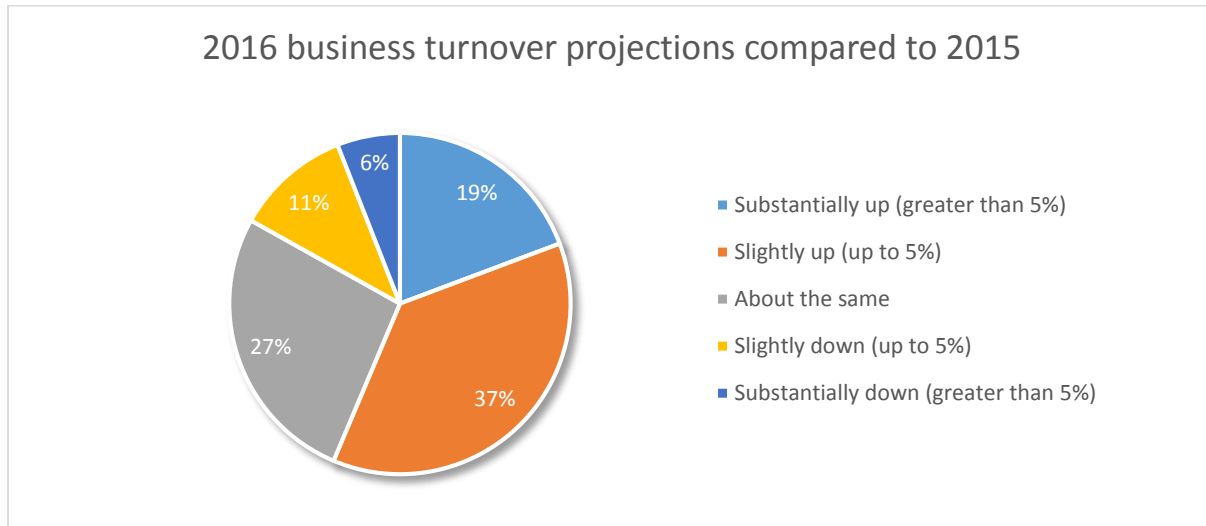


Figure 11

In comparison with the 2015 projections (survey responses this time last year), 31% respondents had stated that they predicted a greater than 5% increase in turnover with a further 25% indicating up to a 5% increase (Figure 12).

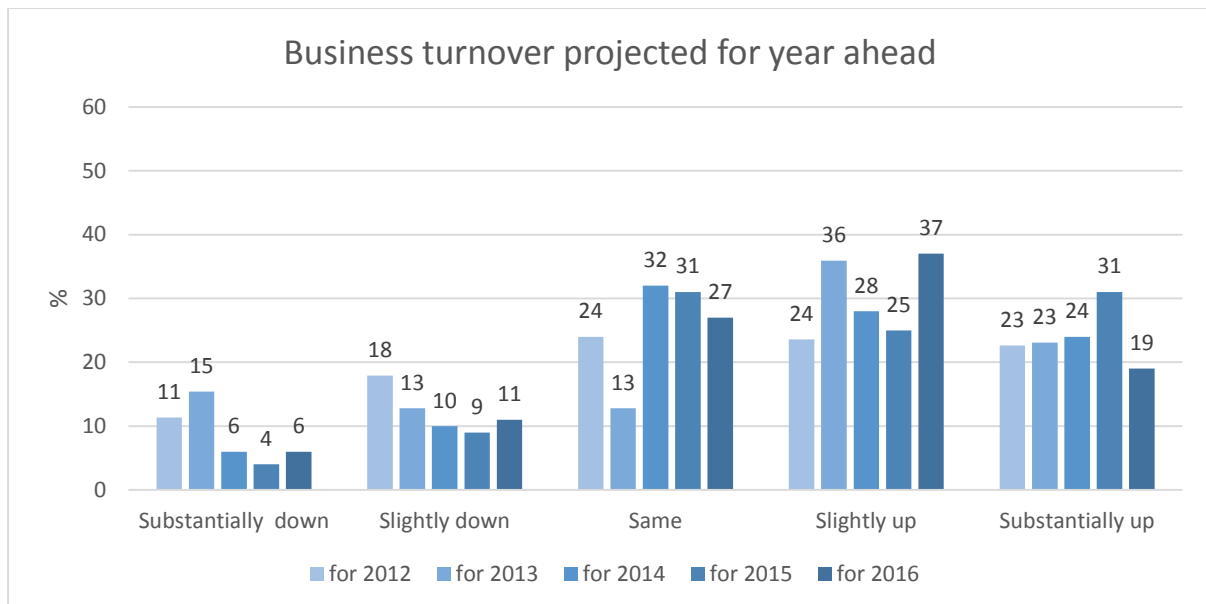


Figure 12

Profitability Projections (2016 compared with 2015)

Just over half of respondents were predicting an increase in profitability this year over 2015 with 20% stating that it would be greater than 5% and 31% indicating up to a 5% increase (Figure 13).

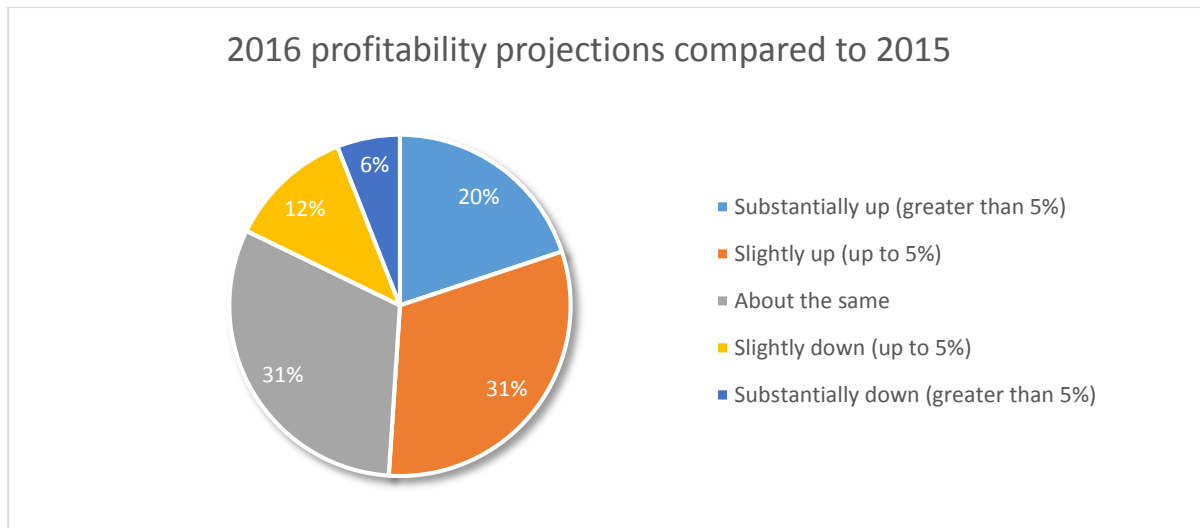


Figure 13

25% of respondents in the same survey last year were projecting 2015 profitability to be greater than 5% than in the previous year with 27% stating that profitability would be up to 5% higher than in 2014 (Figure 14).

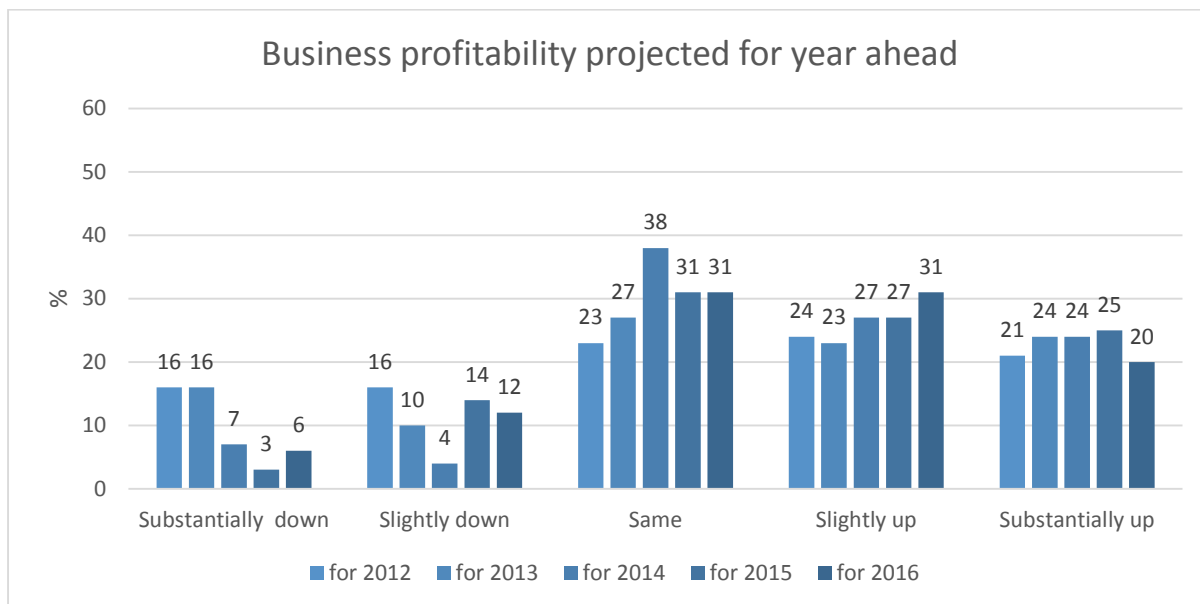


Figure 14

Employment Projections (2016 compared with 2015)

Two out of three respondents were of the opinion that 2016 employee numbers would remain the same as in 2015 while 30% were projecting an increase (Figure 15).

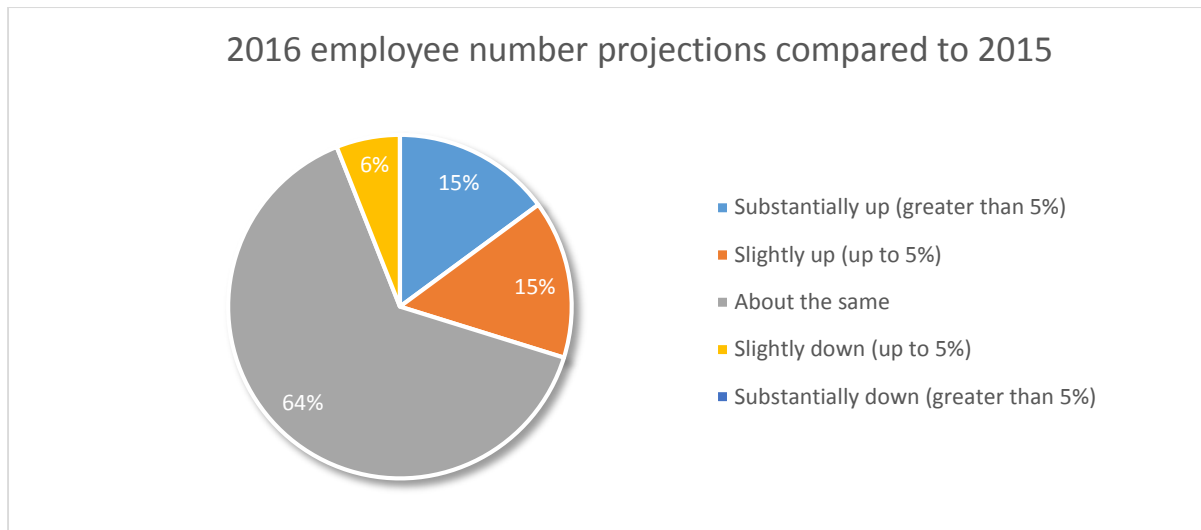


Figure 15

This is a slightly more confident picture in terms of employment projections as compared with this time last year (Figure 16).

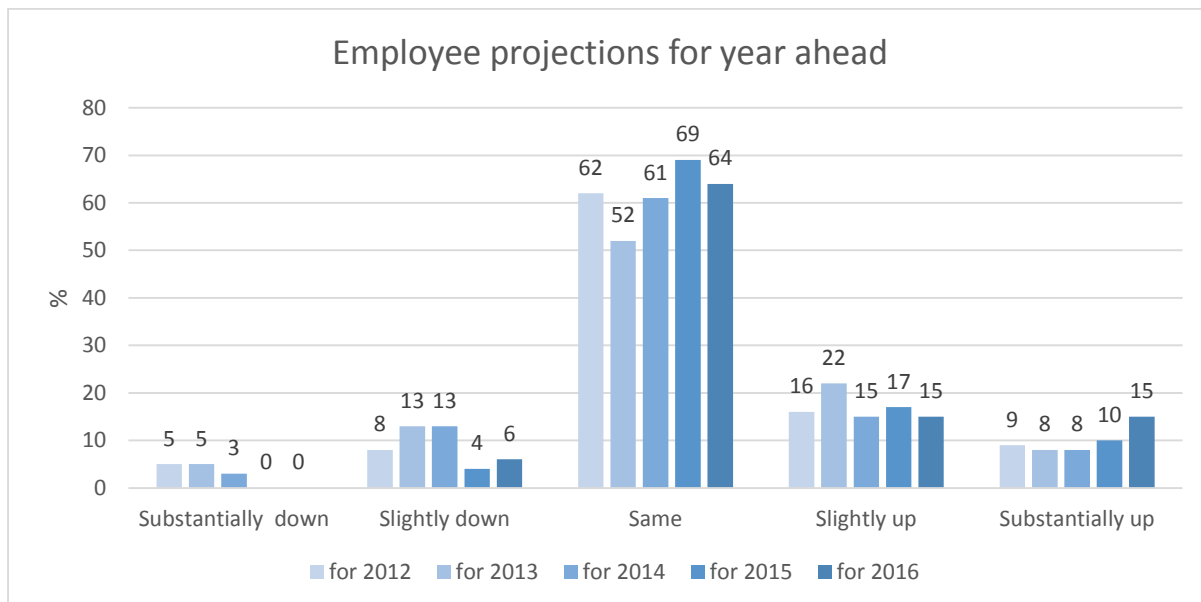


Figure 16

Business Cost Projections (2016 compared with 2015)

46% of respondents were projecting business costs to be slightly up in 2016 as compared with 2015 while a further 15% were expecting costs to be up by over 5% (Figure 17).

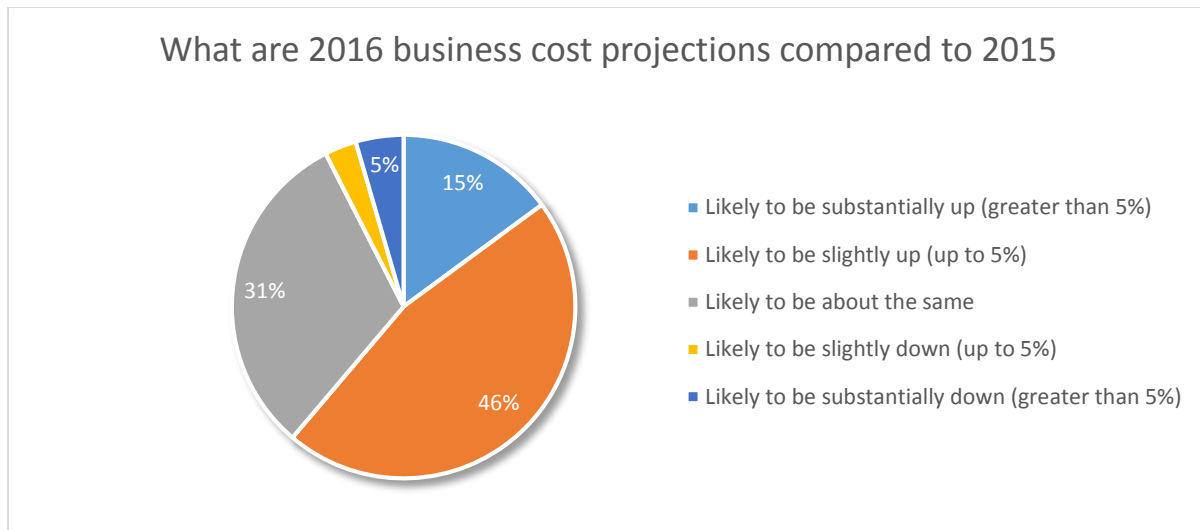


Figure 17

This compares with 45% and 7% respectively recorded in the 2015 survey (Figure 18).

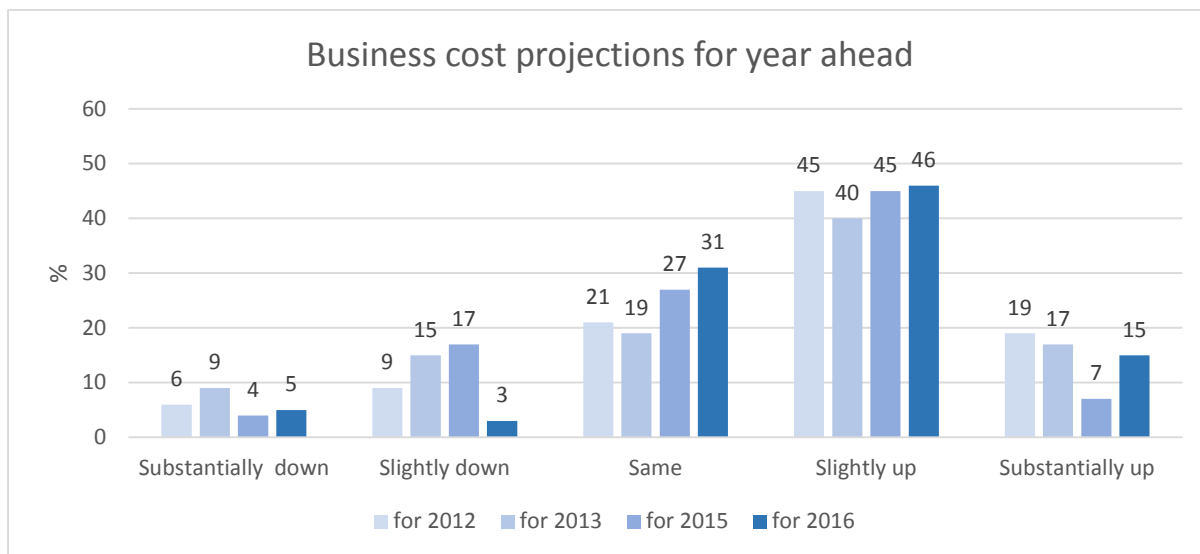


Figure 18 (Please note that data for 2014 was not collected in the 2013 survey)

Business Capacity

Three out of four respondent businesses estimated that they would be working at between 75% to 100% capacity to meet demand during this year. 18% stated that they would be at 50 to 75% capacity (Figure 19).

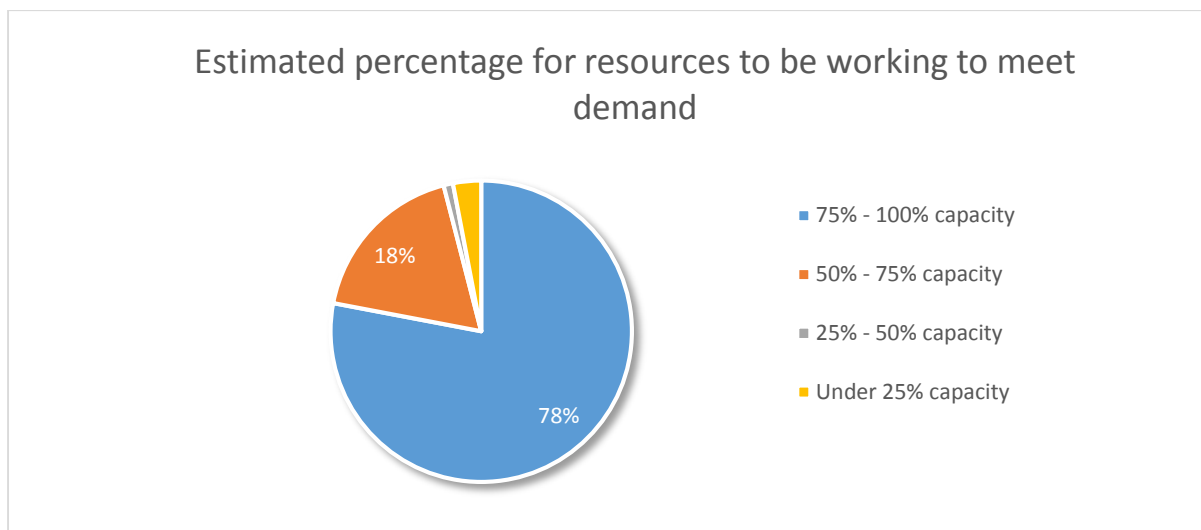


Figure 19

Economic Prospects - Confidence

40% of respondents stated that they had about the same confidence level in 2016 as this time last year with regard to the economic prospects of their own sector for the next twelve months. 27% felt less or much less confident while 33% were either more or much more confident (Figure 20).

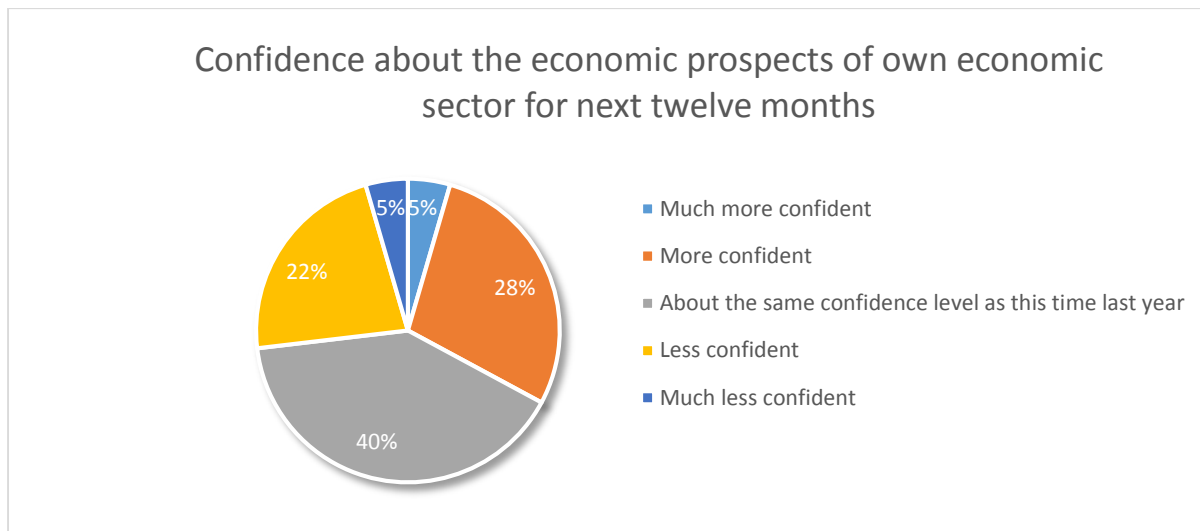


Figure 20

However confidence levels have fallen. As far as last year's findings were concerned, 53% were more confident or much more confident as compared to 33% this year (Figure 21).

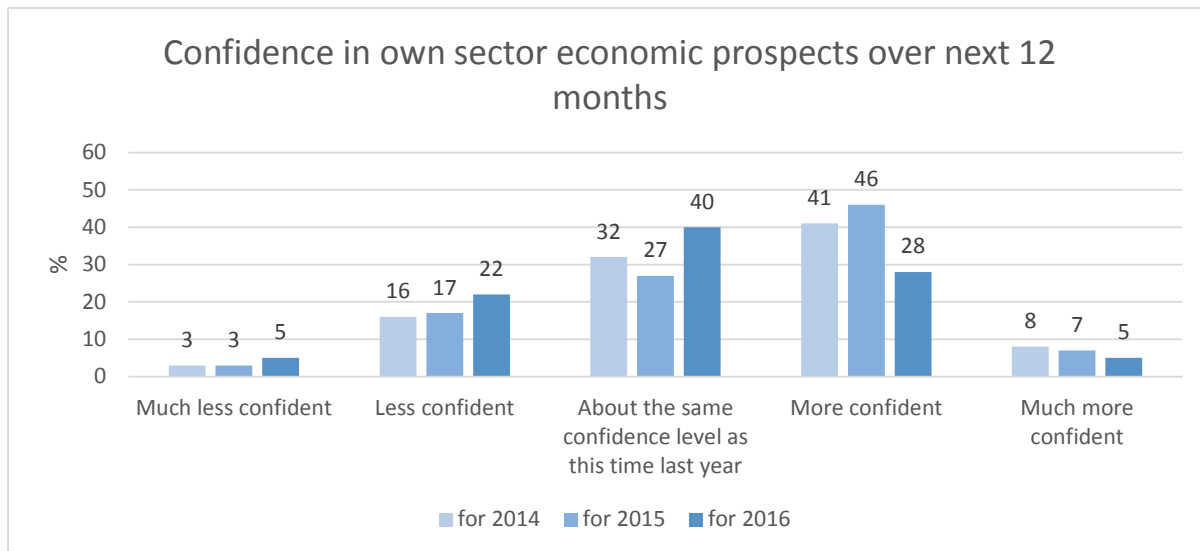


Figure 21

As far as the Island's economy as a whole was concerned, 46% of respondents felt either less or much less confident about the Island's economic prospects over the next twelve months. Only 12% of respondents felt more confident. 42% of respondents stated that had about the same level of confidence now as they did twelve months ago (Figure 22).

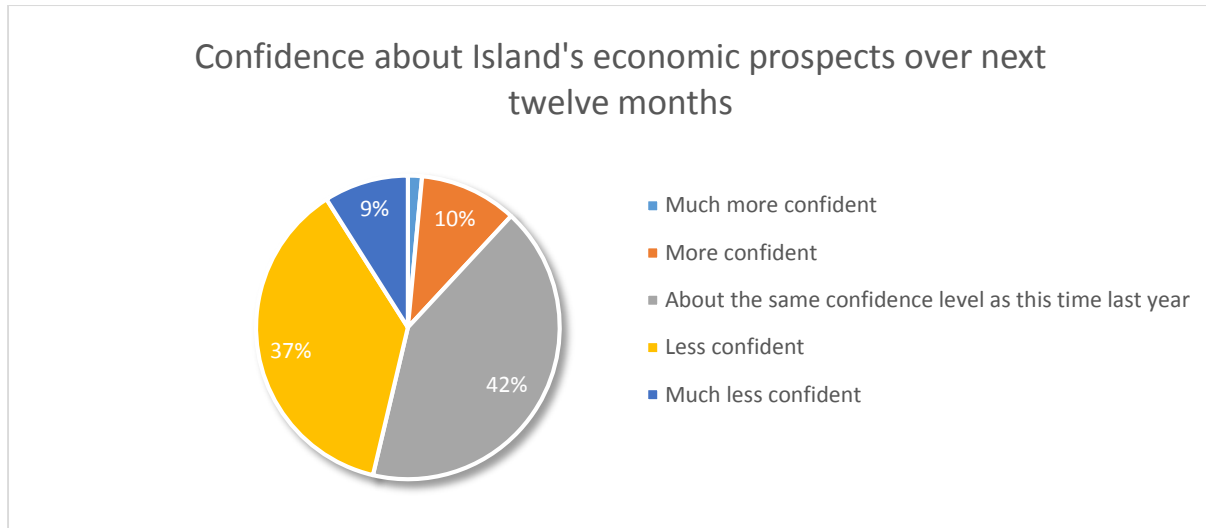


Figure 22

In 2015, 14% of respondents indicated that they were more confident about the Island's economic prospects over the next twelve months (Figure 23).

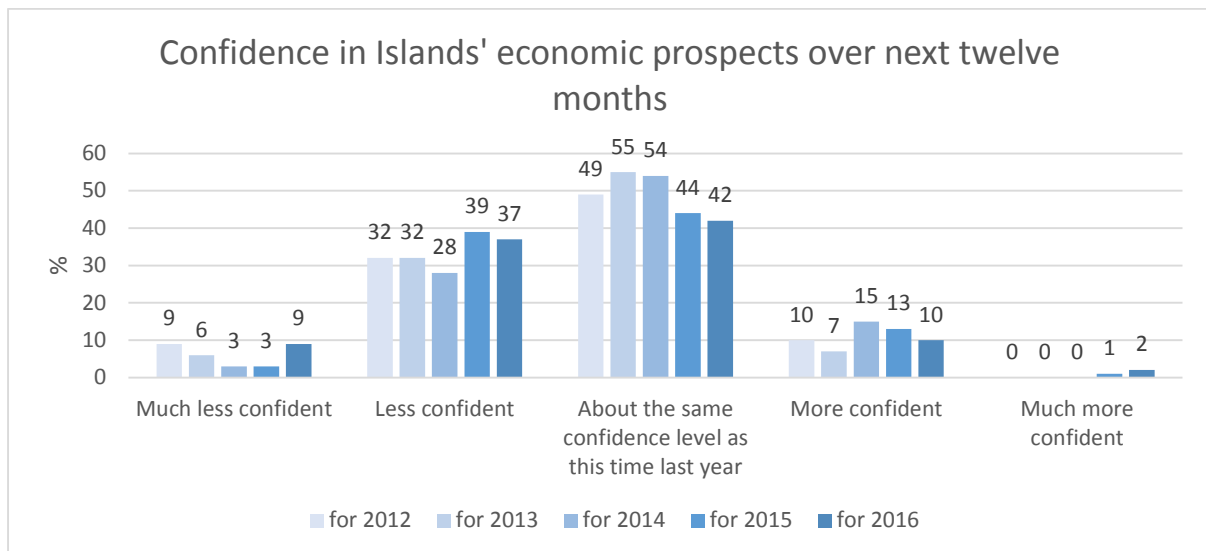


Figure 23

As far as the Island's economic prospects over the next three to five years were concerned, only 16% of respondents were more or much more confident while 48% were either less or much less confident as compared to their views this time last year. 36% had the same degree of confidence level as in 2015 (Figure 24).

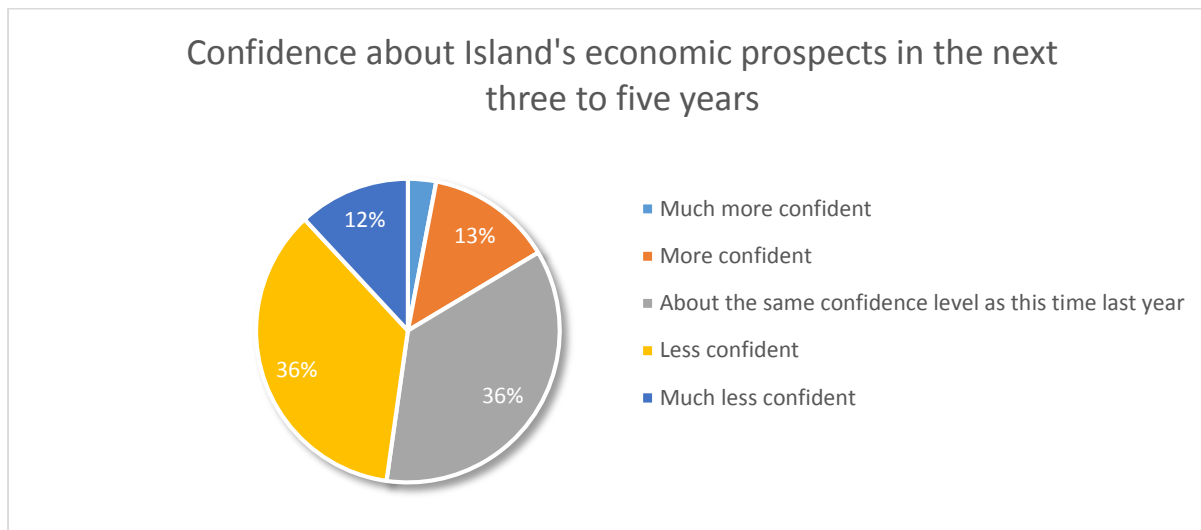


Figure 24

Three to five year confidence levels in the Island's economy have not really changed over last year's findings (Figure 25). However, as compared to 2012 they are significantly down.

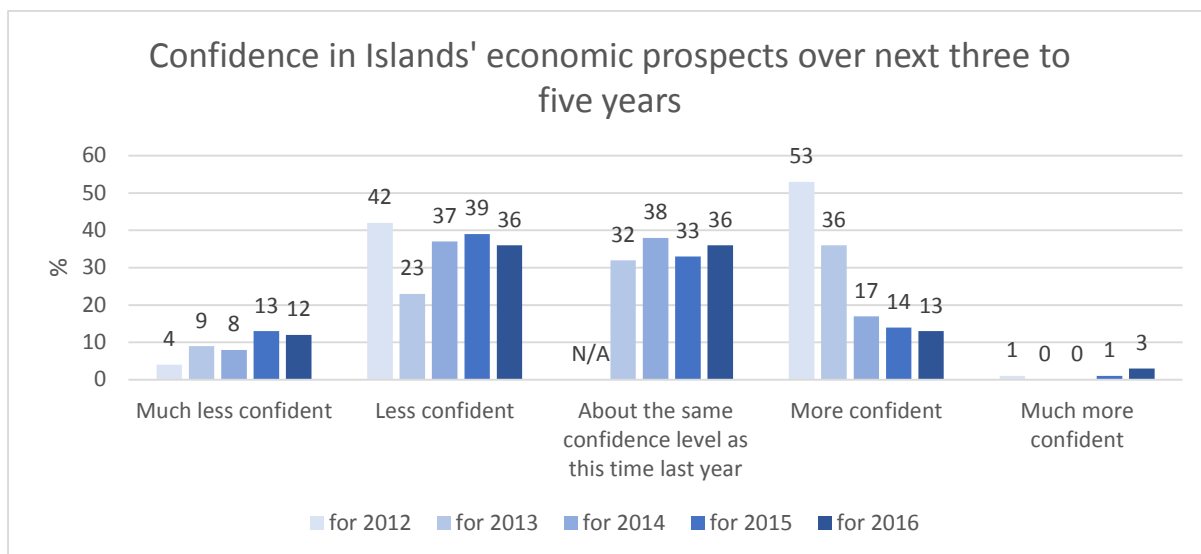


Figure 25

Potential Island Innovation Proposals

Respondents were asked to indicate how strongly they would support or otherwise a number of initiatives. The following responses were recorded (Figure 26).

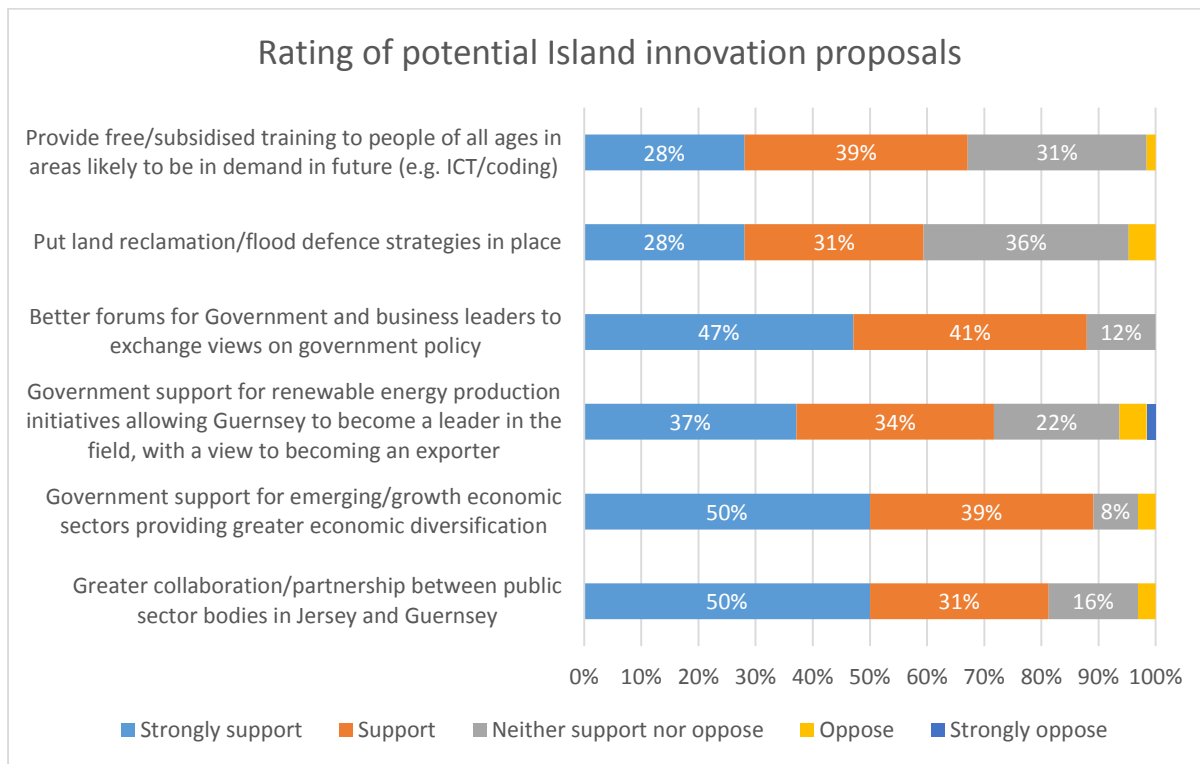


Figure 26

Secondary Pension System Initiative Support

Finally, over half of respondents (55%) either strongly or generally supported the introduction of a States of Guernsey secondary pension system initiative. However, one in three businesses responding were either opposed (17%) or strongly opposed (13%) to the initiative (Figure 27).

This system would require most employers to automatically enrol their staff in a qualifying pension arrangement with minimum levels of employer and employee contributions. The proposed long-term minimum employer and employee rates are 3.5% and 6.5% of gross salary respectively, phased in over a seven year period from 2020.

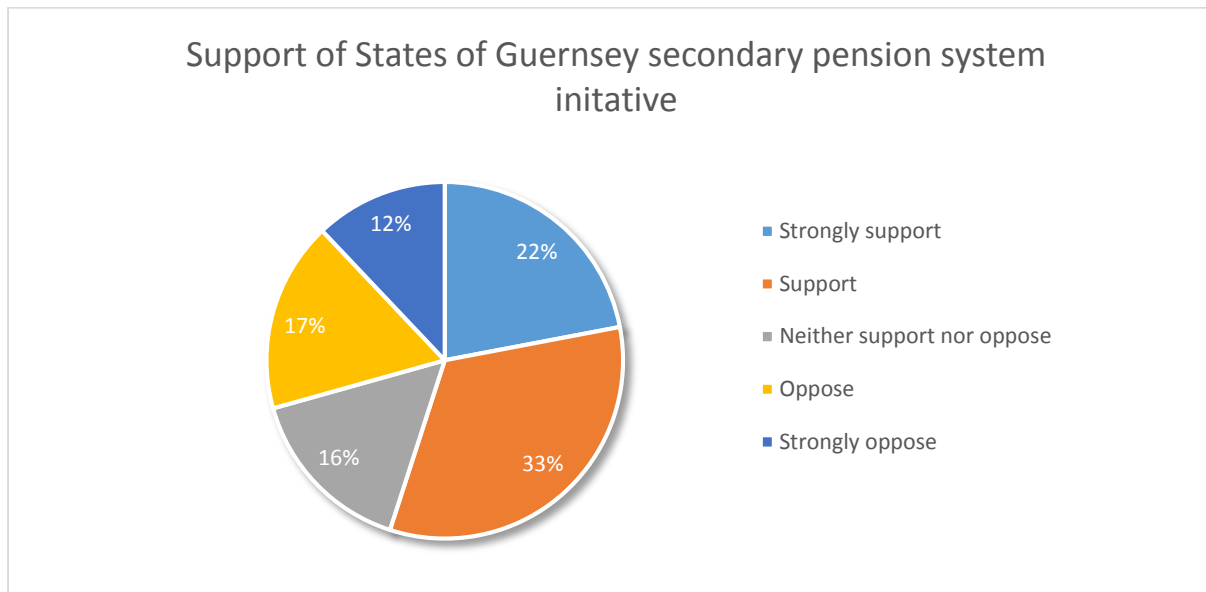


Figure 27